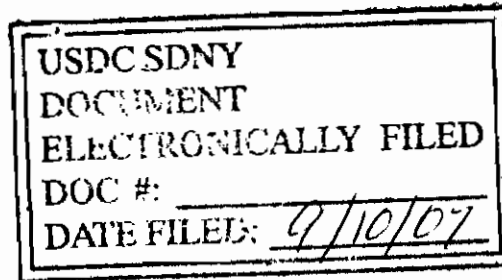


September 10, 2007

**BY FAX**

Honorable James C. Francis, IV  
United States Magistrate Judge  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street, Room 1960  
New York, New York 10007



**Re: UBS Real Estate Securities Inc. v. Lancaster Mortgage Bankers, LLC,**  
**07 Civ. 4815 (AKH) (JCF)**

Dear Judge Francis:

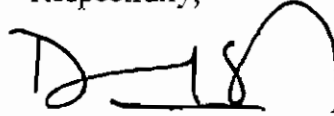
This firm is counsel to plaintiff UBS Real Estate Securities Inc. ("UBS") in the above-referenced action. We write to inform the Court that defendant Lancaster Mortgage Bankers, LLC ("Lancaster") apparently filed for Chapter 7 bankruptcy on August 31, 2007, in the United States Bankruptcy Court for the District of New Jersey. *See In re Lancaster Mortgage Bankers, LLC*, Bankruptcy Petition No. 07-22479-MBK. We learned of this development on Thursday, September 6, via a search we performed on the United States Court's Pacer system. UBS has received no separate notification from Lancaster that it had filed a bankruptcy petition.

As the Court is aware, Judge Hellerstein signed a default judgment against Lancaster on July 30, and referred the action to Your Honor for a damages inquest. UBS is currently scheduled to submit Proposed Findings of Fact and Conclusions of Law by September 11, in anticipation of the damages inquest. We believe that, in light of Lancaster's filing of a Chapter 7 Petition in bankruptcy court, this action is now stayed pursuant to the automatic stay provision of the Bankruptcy Code, 11 U.S.C. §362(a).

Accordingly, because this action is stayed, UBS is not planning to submit the Proposed Findings of Fact and Conclusions of Law as previously directed by the Court. Should the Court wish UBS to submit the Proposed Findings of Fact and Conclusions of Law despite Lancaster's filing of a Chapter 7 Petition, we are, of course, prepared to do so.

Thank you for your consideration. Please do not hesitate to contact me with any questions.

Respectfully,

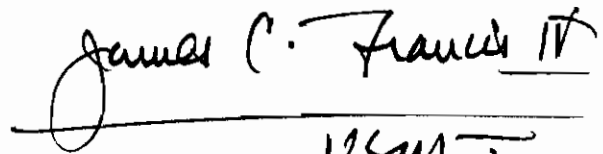


Daniel E. Shaw

cc: Lancaster Mortgage Bankers, LLC (by fax)  
Vincent F. Papalia, Esq. (by fax)

9/10/07

Plaintiff's time to submit proposed findings is adjourned sine die. Plaintiff shall advise me if and when it may be appropriate to hold an inquest.

SO ORDERED.  
  
JCMJ